

Condit	Hoyer	Nethercutt
Conyers	Hulshof	Neumann
Cook	Hunter	Ney
Cooksey	Hutchinson	Northup
Costello	Hyde	Norwood
Cox	Inglis	Nussle
Coyne	Istook	Oberstar
Cramer	Jackson (IL)	Obey
Crane	Jackson-Lee	Olver
Crapo	(TX)	Packard
Cubin	Jefferson	Pallone
Cummings	Jenkins	Pappas
Cunningham	John	Pascrell
Danner	Johnson (CT)	Pastor
Davis (FL)	Johnson (WI)	Paul
Davis (IL)	Johnson, E.B.	Paxon
Davis (VA)	Johnson, Sam	Payne
Deal	Jones	Pease
DeFazio	Kanjorski	Pelosi
DeGette	Kaptur	Peterson (MN)
Delahunt	Kasich	Peterson (PA)
DeLauro	Kelly	Petri
DeLay	Kennedy (MA)	Pickering
Deutsch	Kennedy (RI)	Pickett
Diaz-Balart	Kennelly	Pitts
Dickey	Kildee	Pombo
Dicks	Kilpatrick	Pomeroy
Dingell	Kim	Porter
Dixon	Kind (WI)	Portman
Doggett	King (NY)	Poshard
Dooley	Kingston	Price (NC)
Doyle	Klecza	Pryce (OH)
Dreier	Klink	Quinn
Duncan	Klug	Radanovich
Dunn	Knollenberg	Rahall
Edwards	Kolbe	Ramstad
Ehlers	Kucinich	Rangel
Ehrlich	LaFalce	Redmond
Emerson	LaHood	Regula
Engel	Lampson	Reyes
English	Lantos	Riley
Ensign	Largent	Rivers
Eshoo	Latham	Rodriguez
Etheridge	Lazio	Roemer
Evans	Leach	Rogan
Ewing	Lee	Rogers
Farr	Levin	Rohrabacher
Fattah	Lewis (GA)	Ros-Lehtinen
Filner	Lewis (KY)	Rothman
Foley	Linder	Roukema
Forbes	Lipinski	Roybal-Allard
Fossella	Livingston	Royce
Fowler	LoBiondo	Rush
Fox	Lofgren	Ryun
Franks (NJ)	Lowey	Sabo
Frelinghuysen	Lucas	Salmon
Furse	Luther	Sanchez
Gallegly	Maloney (CT)	Sanders
Ganske	Maloney (NY)	Sandlin
Gejdenson	Manton	Sanford
Gephardt	Manzullo	Sawyer
Gibbons	Markey	Saxton
Gilchrest	Martinez	Scarborough
Gillmor	Mascara	Schaefer, Dan
Gilman	Matsui	Schaffer, Bob
Goode	McCarthy (MO)	Schumer
Goodlatte	McCarthy (NY)	Scott
Goodling	McCollum	Sensenbrenner
Gordon	McDade	Sessions
Goss	McDermott	Shadegg
Graham	McGovern	Shaw
Granger	McHale	Shays
Green	McHugh	Sherman
Greenwood	McInnis	Shimkus
Gutierrez	McIntosh	Shuster
Gutknecht	McIntyre	Sisisky
Hall (OH)	McKeon	Skaggs
Hall (TX)	McKinney	Skeen
Hamilton	Meehan	Skelton
Harman	Meek (FL)	Slaughter
Hastert	Meeks (NY)	Smith (NJ)
Hastings (FL)	Menendez	Smith (OR)
Hastings (WA)	Metcalf	Smith (TX)
Hayworth	Mica	Smith, Adam
Hefley	Millender	Smith, Linda
Hefner	McDonald	Snowbarger
Henger	Miller (CA)	Snyder
Hill	Miller (FL)	Solomon
Hilleary	Minge	Souder
Hilliard	Mink	Spence
Hinchey	Moakley	Spratt
Hinojosa	Mollohan	Stabenow
Hobson	Moran (KS)	Stearns
Hoekstra	Moran (VA)	Stenholm
Holden	Morella	Stokes
Hooley	Murtha	Strickland
Horn	Myrick	Stump
Hostettler	Nadler	Stupak
Houghton	Neal	

Sununu	Towns	Weldon (FL)
Talent	Trafficant	Weldon (PA)
Tanner	Turner	Weller
Tauscher	Upton	Wexler
Tauzin	Velazquez	Weygand
Taylor (MS)	Vento	White
Taylor (NC)	Visclosky	Whitfield
Thomas	Walsh	Wicker
Thompson	Wamp	Wilson
Thornberry	Waters	Wise
Thune	Watkins	Wolf
Thurman	Watt (NC)	Woolsey
Tiahrt	Watts (OK)	Wynn
Torres	Waxman	

□ 1517

The SPEAKER pro tempore (Mr. PEASE). On this rollcall, 408 Members have recorded their presence by electronic device, a quorum.

Under the rule, further proceedings under the call are dispensed with.

DISAPPROVAL OF MOST-FAVORED-NATION TREATMENT FOR CHINA

The SPEAKER pro tempore. In the matter pending before the House, the following time remains: The gentleman from California (Ms. PELOSI) has 4 minutes remaining. The gentleman from California (Mr. MATSUI) has 6½ minutes remaining. The gentleman from Nebraska (Mr. CHRISTENSEN) has 4½ minutes remaining. The gentleman from Illinois (Mr. CRANE) has 3½ minutes remaining.

The Chair recognizes the gentleman from California (Ms. PELOSI).

Ms. PELOSI. Mr. Speaker, as the House is coming to order, as one who has had a long interest in this U.S.-China trade debate, I want to commend you for your distinguished presiding over the House today during this very important issue to the American people.

Mr. Speaker, I now have the privilege of recognizing our distinguished Democratic leader of the House, a champion for promoting democratic values throughout the world, promoting our own economy through promoting exports, and stopping the proliferation of weapons of mass destruction.

Mr. Speaker, I yield 4 minutes to the gentleman from Missouri (Mr. GEPHARDT).

Mr. GEPHARDT. Mr. Speaker, I would begin my statement today with a question that I think all of us have to ask as we decide which way we are going to vote. The question is, if we had kept in place in the mid-1980s a policy of constructive engagement with South Africa that is very much like the policy of constructive engagement we now have with China, would not Nelson Mandela be the President of South Africa today, or would he still be in jail? That is the question.

I know no two countries are alike. I know no two sets of policy can be exactly the same. But I believe with all my heart that the policy we are following, which is basically a policy of saying that more trade, more economic relationships, more communication is sufficient to bring about real change in China, is a failed policy and it has not worked.

If you will, simply look at the facts. Let us first look at trade. In 1987 the trade deficit with China was about \$3 billion between the United States and China. Today it is over \$60 billion.

Our own Trade Representative has stated, as of this year, as of this year, that there is essentially a closed market in China to American products. Put aside the tariff difference. Our average tariff on their goods coming here, 2 percent. Their average tariff on our goods going there, 17 percent.

But put that aside. The greatest barrier to our products going into China are nontariff barriers. Our own Trade Representative has said that their market is essentially closed now to our products. They had been unwilling to meet up with our demands to put them in the WTO. They are simply unwilling to allow for fair and free trade.

So if my colleagues look at this in terms of trade policy, we are not making progress. We are going in the wrong direction. We are not going in the right direction.

Let us take a look at human rights. Again, no progress. The President was there, and I admire him for going, and I think it was right to go. But let me tell my colleagues something. The Chinese leadership is happy to have our President or anybody else come and make statements about human rights as long as they do not have to do anything about human rights. Talk is cheap. I am from Missouri. Show me. Nothing is happening.

One hundred fifty dissidents who were in Tiananmen Square are still in jail. Even as our President came to China, people were locked up. People were locked up for no causes. People were locked up because they dared to try to express themselves politically freely.

There are no human rights in this country. Every violation that could be made of human rights has been made, and there is no progress. Look at the record. If the policy were working, the record would be different. It is not. So if a policy is not working, we need a new policy, and I believe that policy has to have actions as well as words.

I respect deeply my colleagues who believe that more trade and more talk will work. I respectfully disagree. I do not think that anything but solid action will make a difference.

I want to remind my colleagues of what was said in the debate about South Africa in 1985. I want to read my colleagues a statement. One of our Members in 1985 said this: "South Africa is making positive and concrete strides under an American policy of constructive engagement. Given the progress already made and the virtual irreversibility of the trends, sanctions and other punitive activities can hardly be expected to produce more salutary results than President Reagan's policy of constructive engagement."

Our respected colleague, the gentleman from Illinois (Mr. HYDE), said those words on this floor in 1985, but

this House in a bipartisan way stood for taking a definitive action. Words were not enough. We had to stop having a normal trading relationship with South Africa to get their attention.

Our trade deficit with China is financing the present leadership in China. They have a deficit with other countries put together. We are the only country they have a huge surplus with. In effect, our trade policy is financing the policy that they follow.

Let me end with this: We always are told that the reason we cannot do this is because of money. We are going to lose contracts. We are going to lose business. We are going to lose a billion consumers in the future.

Let me just end by saying this to you as you search your heart in this vote: This country has always stood for much more than simply money and economic success. This country is an idea. It is a universal idea that applies to every citizen of the world.

Abraham Lincoln in 1861 said this: "I have often inquired of myself, what great principle or idea it was that kept this Nation so long together. It was not the mere matter of the separation of the colonies from the Motherland but something in that declaration giving liberty, not only to the great people of this country but hope for the world for all time."

That is what we are. That is what we have to be. That is what we have to represent to the people of China and the people of the world. Wei Jingsheng was in my office a few months ago and I asked him what we should do on this vote, and he said, "Congressman, please understand that the only thing the leaders in China understand is money and trade and whether or not you are willing to really stand for what you believe in."

Your vote today is for what we believe in. Let us change China. Let us have real engagement. Let us bring about liberty finally, as only we can, for the people, the great people of China. Vote against a normal trading relationship with China.

Mr. MATSUI. Mr. Speaker, I yield such time as he may consume to the gentleman from Texas (Mr. STENHOLM).

(Mr. STENHOLM asked and was given permission to revise and extend his remarks.)

Mr. STENHOLM. Mr. Speaker, I rise in strong opposition to the resolution that would end normal trade relations with China.

Mr. MATSUI. Mr. Speaker, I yield the balance of my time to the distinguished gentleman from Indiana (Mr. HAMILTON), the former chair of the Committee on Foreign Affairs and the ranking member of the Committee on International Relations.

Mr. HAMILTON. Mr. Speaker, I rise in opposition to H.J. Res. 121. I support retaining normal trade relations with China. This is not just a vote today about trade. NTR, or Normal Trade Relations, is the keystone of our policy of engagement. So the question today is

the fundamental one: Do you wish to pursue a policy of engagement or of isolation?

□ 1530

Members have argued on the floor today that you can vote to end normal trade relations with China and still work with Beijing on nonproliferation and human rights and all of the other problems we have with China. That argument cannot be sustained. To withdraw normal trade relations from China is to declare economic warfare against China. We cannot declare economic warfare against China and expect China to play by our rules on nonproliferation and human rights and security. Political engagement and economic cooperation go hand-in-hand. You cannot separate the two.

What we must ask ourselves on the floor of this House today and what we must understand is that China is changing. Go back 20 years, when our policy of engagement began. At that time it was simply unimaginable to have a public discussion on any issue with China.

Today American businesses operate in China, the state share of the economy is falling, the standard of living of the people of China has improved sharply, two presidents debate with one another in Beijing about human rights, the American president is given access to all the people of China on Chinese television. The average Chinese citizen today has more freedom, not enough, but more freedom than that citizen has ever had in the history of China. The rule of law is making progress. Local elections are being held.

How can you describe that policy as a failed policy? That is not a failed policy. This is a policy under six presidents that has been one of engagement, and it has worked.

These trends that I have identified are good for China and they are good for the United States. They show that engagement, including engagement's foundationpiece, normal trade relations, works. And I believe that as the doors to freedom in China begin to open, they will be increasingly hard to shut.

Now, the stakes are very high in this vote today, because China does stand at a crossroads. Whether it emerges as a stable country, integrated into the world community, will be decided by China. But we can influence China, and we have influenced China over a period of years.

We should not, however, delude ourselves into thinking that by withholding normal trade status from China we will have greater influence with China. Not on your life. It would mean less influence with China.

Now is not the time to slap China. No matter how you may have voted on this question in the past, the case for normal trade relations with China today is stronger than it has ever been. Look what happens if you have a finan-

cial Asian meltdown. China has played a key role by maintaining the value of its currency.

Withdrawing normal trade relations from China at this juncture would be the worst step we could take. Look at China's economy. It is precarious. Premier Ju is committed to an ambitious program of economic reform. It moves in the direction we want China to move. The United States supports those reforms. But if we come along now and strip most-favored-nation treatment, as we used to call it, or normal trade relations from China, that will help kill those reforms.

Look at what China is doing on all kinds of regional problems, I do not have time to go into that, but with India, Pakistan and Korea. Terminating access to U.S. markets would almost certainly mean that China is less willing to work with us on key security problems.

Take a look at the American economy. Everybody in this Chamber has noted the drop in growth in the second quarter compared to the first quarter, one of the most dramatic drops in the history of our economy. We must not take a step that would exclude one person out of every four on the face of the Earth from trade relations if we deny normal trade relations.

We can all acknowledge a very difficult problem on trade deficits. China is not an open market, but you have to address that problem in such a way that you do not penalize the American producer.

Mr. Speaker, I urge Members to vote no on the resolution.

Mr. CHRISTENSEN. Mr. Speaker, I yield the balance of my time to the gentleman from New York (Mr. SOLOMON), the chairman of the Committee on Rules and the author of this resolution for the last 9 years, a champion of human rights.

The SPEAKER pro tempore (Mr. PEASE). The gentleman from New York is recognized for 4½ minutes.

Mr. SOLOMON. Mr. Speaker, I thank the gentleman from Nebraska for yielding me time.

First of all, let me just thank those who have stood for human rights in this House for many, many years. I talk about the gentlewoman from California (Ms. PELOSI), certainly the gentleman from New Jersey (Mr. SMITH), certainly the gentleman from Virginia (Mr. WOLF), and my good friend from Nebraska. But, Mr. Speaker, as I sat through this 4 hours of debate and it will be my last debate, I will not carry this bill again but you would think there is nothing wrong.

I heard my good friend, the gentleman from Illinois (Mr. CRANE), whom I have served with for 20 years, say, well, we have to worry about 200,000 jobs that would be lost if we do not renew MFN for China today. I look at my district, and I just wonder whether it is different from his.

I represent the old Rust Belt in America. We used to manufacture

shirts like I have on here. These were choice shirts. We had most of the market. We used to manufacture gloves, a whole litany of things. Today, in my district, there just are no more jobs. GE has laid off some 24,000 people. IBM has laid off some 14,000 people. There are hardly any entrepreneurial manufacturing companies left that used to create all of these jobs.

I look at people who have served in the military, came home, got married, have three or four children, and they work in Little League and Boy Scouts. Now they are 45 and 50 years old, and they do not have a job, they do not have a decent job. They no longer have that job with GE, where they made \$40,000 or \$50,000 as a laborer. Now they have three little jobs, and they do not even make \$25,000 in total. They cannot make a living for their families. Yet I hear people stand up here and say there is nothing wrong.

Well, when only 2 percent of our exports go to China, but they unload on us, there is something wrong there. What was the note I just had? Ambassador David Aaron, the Undersecretary of International Trade, U.S. Department of Commerce, just testified about an hour ago, and he was posed with the question, Why do we have this \$60 billion trade deficit with China, bigger than Japan's now? Ambassador Aaron's comment was the reason for our trade deficit with China is trade barriers.

Now, what is normal trading relations if we cannot export? A major electrical razor manufacturer closed its plant, 250 people out of work, and it went to China. Now, in China, I do not know whether you have been there. I have been there several times and they do not buy electric razors. They do not even use them much. Therefore, all of those razors are going to be exported back to the United States. Yet 250 people are out of work. So something is drastically wrong.

Withholding MFN for China, right now, today, does not mean we are doing it for a year, 10 years or 20 years. We are doing it temporarily. It can be for 30 days, because this Congress can turn it around like that.

Let me tell you, the Chinese people are the smartest people in the world. If we ever withheld this favored treatment and came back to regular relations, so we would have the same trade tariffs between our countries, do you not think China would come to us crawling, because we have 250 million Americans with the greatest buying capacity in the world? They would lick their chops to do business with us. And we do nothing? That is a disgrace.

That is why we ought to pass the Solomon resolution now. Whether MFN is withdrawn for a week, 2 weeks, a month or 3 months, we would find we would pretty soon renegotiate our trade with China to where we would no longer have that \$60 billion deficit and Americans would have jobs in this country.

Please support my amendment.

Mr. Speaker, I noted at the very outset that, for the past nine years, the argument has been presented that maintaining MFN status for China is necessary in order to gain access to the Chinese market for U.S. products, to induce the Chinese dictatorship to treat its own people with a decent respect for their human rights, and to modify the rogue behavior of the Chinese communists.

Abundant evidence has been presented during the course of this debate that 19 years of MFN have failed to promote any one of these objectives.

MFN has been an issue before Congress for the past nine years—ever since the Tiananmen Square massacre. But MFN status for China actually goes back ten years before that—to 1979.

I would just ask the advocates of MFN for China: When does America start getting access to the Chinese market? When does the great payoff start?

China is the largest country in the world, with one-fifth of the world's people. But after 19 years of MFN, less than one-fifth of 1 percent of U.S. economic activity is involved in trade with China.

No more than 1.9 percent of our total exports are now making their way into that huge market. When does the payoff start?

And when will the Chinese people start being treated as citizens, instead of as comrades or economic units to be exploited, manipulated, and abused?

And when will China start assuming a responsible and respectable role in the world, instead of being the arms merchant to every outlaw state in business and any other country that wants weapons that are out of scale to its legitimate needs?

Mr. CRANE. Mr. Speaker, I yield myself the balance of my time.

The SPEAKER pro tempore. The gentleman from Illinois is recognized for 3½ minutes.

(Mr. CRANE asked and was given permission to revise and extend his remarks.)

Mr. CRANE. Mr. Speaker, this is an interesting experience. We had a debate on the floor yesterday and I was semi-joking about the gentleman from Illinois (Mr. YATES) coming to Congress when I graduated from high school, but that was the same year that Lee Hamilton and I met each other in our freshman year in college. We were college chums together for a couple of years. Of course, we are going to be losing the gentleman from New York (Mr. SOLOMON) too, who retires after this year, and we have had our agreements and disagreements along the way on a lot of issues.

But I am particularly proud of the eloquent presentation today by the gentleman from Indiana (Mr. HAMILTON) on behalf of maintaining our normal trade relations with China. It is probably the most important country that we can have relations with on the face of this Earth, and I say that because of what the future holds for China.

In those years that I described, talking about the election of the gentleman from Illinois (Mr. YATES), his first term here, and the gentleman from Indiana (Mr. HAMILTON) and I going off to

college together, the fact of the matter is that was the beginning of the Great Leap Forward, that you remember cost 30 million Chinese lives from starvation. That is when they put the wall up, for all practical purposes, and locked out contact with civilized human beings. Then they did the Great Leap Forward after that for another decade, and hundreds of thousands of Chinese people were executed, put to death, for political reasons.

Then Deng Xiaoping finally took charge, and Deng Xiaoping, to his credit, believed in what he referred to as Leninist capitalism, the ultimate oxymoron. What he passionately was embracing was free enterprise, he did it with a vengeance, and he turned China around.

Today more Chinese people enjoy a higher standard of living than ever before in the 5,000 years of recorded history. It is providing hope and opportunity. A middle class has already developed in South China.

Now, these are accomplishments that we can aid and abet with our presence and our influence. The Chinese have respect for us, and our leaders in this country, and this goes back to Gerry Ford, it goes back to Jimmy Carter, Ronald Reagan, George Bush, to the current occupant, Bill Clinton, they have all embraced going forward with this policy. It is not a partisan question. It is not Republican versus Democrat, it is what is in the best interest. We can have legitimate disagreements, as I have had with the gentleman from New York (Mr. SOLOMON) throughout the years, have disagreements on this.

But I submit, if you look at the reforms taking place in China, and that is local democratic elections, one-third of the Chinese people have already participated in the democratic process, and they are not communists. In addition to that, as I say, the advancement of free enterprise, and the advancement also of religious freedom and what is going on there with a vengeance today, in contrast to not that long ago when this was impermissible, now an estimated 20 million Protestants, possibly as many as 10 million Catholics, 100 million Muslims, these are accomplishments that are far from perfect, but we know that it is movement in the right direction.

I argue that trade relations provide that opportunity for personal contact, which ultimately has the most civilizing impact on mankind.

I urge all Members to think long and hard and vote against this resolution.

Mr. FARR of California. Mr. Speaker, opponents argue that China's record on human rights, trade, proliferation and other issues do not justify extending normal trade relations. Though I agree that much must be done to alleviate these very serious problems, I have to disagree with some of my colleagues on this issue. I feel that we should use every type of engagement—including normal trade relations—to bring China into the international community and to achieve U.S. objectives on human rights, trade and proliferation.

The Chinese economy is one of the fastest growing economies in the world. While many Chinese remain poor peasants, hundreds of millions have seen their lives improved through economic reform. Market reform is the single most powerful force for positive change in China this century, and possibly in the country's long history. Recent economic progress, which has significantly improved living conditions in China, represents real benefits for both the United States and China.

Congress should extend normal trade relations for another year. By supporting normal trade relations, the House is choosing a policy of engagement over a policy of isolation. Engagement has been the policy of every President, Democratic and Republican, for twenty-five years. Engagement is not appeasement. It does not mean ignoring our differences with China or engaging them blindly. It means actively engaging China to resolve our differences. It means hard bargaining in pursuit of American objectives and keeping lines of communications open to breach new markets.

These new markets will have a direct impact on the U.S. economy. U.S.-China trade was valued at \$75.3 billion in 1997, supporting an estimated 400,000 American jobs. Last year, California led all other states in total exports to China, amounting to \$2.3 billion in sales. California agricultural exports made up over \$40 million of these exports.

I have seen a dramatic increase in the amount of agricultural exports to China in the last several years. In my Central Coast district in California, agricultural exports have increased to more than 100,000,000 pounds of produce entering China and Hong Kong. China receives more produce from the 17th District of California than every country except Canada and Japan. American producers are just starting to get a toe-hold in the Chinese market, and additional commodities are entering China at an increasing rate.

With China's reduction in import tariffs last October, on average by about 25%, the future looks very bright for increased exports of U.S. products to China, both direct to mainland ports and via Hong Kong.

It is imperative that the United States continue to work towards improved human rights for both political activists and religious dissenters. However revoking NTR will only slow progress in resolving our difficulties with China. Continued engagement will provide the most fertile ground to improve human rights, copyright law enforcement, and Chinese foreign policy. I feel that it is essential that we support our farmers whenever possible and closing this market would be devastating to my district. For these reasons I can not support House Joint Resolution 121.

Ms. LEE. Mr. Speaker, I rise in support of House Joint Resolution 121, the legislation to disapprove Normal Trade Relations with China (formerly Most Favored Nation Status), for several reasons. During the past several months I have had extensive discussions with individuals both in support and in opposition to Normal Trade Relation status for China including the United Auto Workers of America, the AFL-CIO, the U.S. Business and Industry Council, and the business community in the Bay Area. I do not cast this vote lightly, but with much thought and input from individuals and groups with many points of view.

While in the California Legislature, I served as a member of the California State World

Trade Commission and was appointed by the late Secretary of Commerce Ron Brown to serve as a member of the District Export Council. I led the effort to encourage commercial trade between the State of California and the Continent of Africa. I support fair and free trade and recognize the importance of trade in the creation of jobs for Americans, especially in my home state of California, where we are the 10th largest economy in the world.

Essential to the creation of jobs for American workers, however, is the absolute requirement that the Chinese market be open for imports from the United States. The U.S. labor force is harmed by lack of access to China's markets for the majority of U.S. products and services. Trade with China has not been reciprocal. Existing trade barriers create a severe trade imbalance in which the United States imports many more goods from China than it exports. Last year alone, the United States imported \$62.6 billion worth of goods from China, while exporting only \$12.8 billion. Only 1.9% of all U.S. exports are allowed into China, whereas 34.3% of Chinese exports come to the United States.

Normal Trade Relations Status with China hurts American workers by driving manufacturing industries abroad for cheaper labor, which is particularly damaging to women and minorities. In my state of California, the effect of trade with China is extremely damaging to agriculture, to aerospace, and to the garment industry. The software and high tech industries are also hit particularly hard due to China's theft of copyrighted material. According to the Software Publishers' Association, 96% of the business software in China is pirated from American companies.

Mr. Speaker, U.S. companies and U.S. goods have very limited and restricted access to the Chinese market due to China's high tariffs, as well as its non tariff barriers. As I made my decision to vote for House Joint Resolution 121, I concluded that the current MFN China policy is a "business loser" and "job loser" here at home.

In addition, as a person who supports human rights both in the United States and abroad, I cannot ignore the fact that in China there are at least 250 people still imprisoned since the 1989 Tiananmen Square Massacre, that there are more than 2,000 political and religious prisoners, and that there are at least 230,000 prisoners being held without charge or trial in "reeducation through labor" camps. As a person who has been and will continue to be committed to world peace and to non proliferation of nuclear weapons, I cannot ignore China's assistance in building nuclear and ballistic missile programs in Pakistan and sale of missile test equipment to Iran. I cannot help but be extremely concerned about China's recent test fire of its newest long range missile during President Clinton's visit, illustrating China's lack of respect for nonproliferation.

I support ending the trade embargo with countries such as Cuba, which many supporters of MFN oppose. There seems to be no logic or consistency in the arguments promoted by many of those who support trade relations with China, while simultaneously opposing trade with Cuba. I believe that our foreign policy objectives can be achieved, that democracy and human rights can be encouraged, and the jobs can be created for American workers through fair and free trade with countries, whether Communist or not.

I believe that my colleagues of the California Bay Area Delegation, The Honorable NANCY PELOSI, The Honorable GEORGE MILLER, The Honorable PETE STARK and The Honorable LYNN WOOLSEY are correct in their decision to oppose MFN for China. I unite with them in this effort to support U.S. workers and the U.S. labor.

Mr. PORTMAN. Mr. Speaker, I rise today in strong support of renewing normal trade relations (NTR) with China. As you know, the IRS reform legislation, signed by the President today, changes the designation of "Most Favored Nation" trading status to a name more representative of what we are trying to do—establish normal trade relations. This is a status held by every single one of our trading partners, except those that have been specifically denied by statutory authority.

I strongly believe that renewing NTR is critical to advancing U.S. interests and relationships in Asia. Revoking NTR would significantly raise tariffs on Chinese imports—costing U.S. consumers more of their hard earned money—and would effectively sever our economic relationship with China, making it impossible to influence China in several areas, including human rights.

Failure to extend NTR would also hurt our economic interests. U.S. exports have been steadily growing every year and support thousands of U.S. jobs. In my home State of Ohio, the 8th largest export State, Ohio firms exported \$283.5 million worth of products to China in 1997—an 18.4 percent increase for the year, which has led to more jobs, increases in their wages and higher standards of living in Ohio. The Chinese would undoubtedly retaliate, putting our jobs and exports at risk. We would be giving our competitors a competitive advantage in one of the world's fastest growing markets.

A policy of engagement with China, however, does not mean that we approve of its practices. I have grave concerns about China's human rights record. But it is through active engagement with China that we can make the most progress in this and other areas. The Chinese are becoming increasingly familiar with the benefits of an open market system and an open society through our contact with them. Revoking NTR would cut us off from the Chinese, limiting our ability to engage the world's other emerging superpower.

Mr. Speaker, renewal of NTR has been supported by every President who has faced this issue, and is supported throughout Asia, including Japan and Taiwan. I strongly urge my colleagues to oppose the disapproval resolution and support renewing normal trade relations status to China. Continued engagement with China is the best way to help China become a constructive force for stability and prosperity in Asia, and advance important American interests. Thank you.

Mr. LEACH. Mr. Speaker, for the next generation and perhaps century the most important bilateral relationship in the world is likely to be the one between China and the United States.

In this context, the Congress would be well-advised to extend normal trade relations (what used to be known as most-favored-nation or MFN) with China.

Maintaining open trade relations will be the linchpin of a relationship that will have profound importance to the future of peace and prosperity not just in Asia, but for the world.

From a historical perspective free trade is a natural extension of the open door policy that hallmarked American involvement in China at the end of the 19th century. Breaching or revoking normal trade relations would effectively drive a stake through the heart of our economic ties with China and place in jeopardy the future possibility of greater Chinese democracy, as well as our relationship with one-fifth of the world's population.

President Clinton correctly emphasized continuity with a bipartisan American tradition of engagement during his recent trip to China, but it appears trade may have taken a back seat to politics. In this regard, it must be stressed that although our economic ties to China have grown rapidly in recent years, so too has the size of our trade deficit. It is up some 20% in the first quarter of this year, and may reach a record \$60 billion in 1998. It is time American leaders make the fundamental point that normal trade relations are all about reciprocity. A billion dollar a week trade deficit is politically and economically unacceptable.

The best way for countries to have good sustainable political relations is to have reciprocal open markets, and the best way to achieve reciprocity in trade is to get politics out of economics and economics into the market.

Balanced and mutually beneficial trade could be a cornerstone of good Sino-American relations, just as unbalanced trade contains the smoldering prospect of social rupture. Hence little is more in the U.S. interest than to promote reform and liberalization of China's economic, trade, and investment regimes and to bind China to the rules of international commerce.

With regard to the latter issue, the obvious deserves repetition: common rules of trade are in the vested interest of all countries which want to be part of the modern world. Those nations which want privileged status to protect their own industries, usually on grounds of the old infant industries argumentation, generally hurt themselves. Financial services is a classic example. While China has become dramatically more integrated into the international financial system over the last decade and a half, it has only taken modest steps to open up its banking, insurance, and financial service industries to foreign competition. Yet China and its economy would be far better off to welcome U.S. and other foreign financial institutions and their panoply of low-cost commercial and investment banking products.

With this in mind, no fully satisfactory outcome to our trade difficulties can be achieved until Beijing agrees to a commercially viable package of terms for joining the World Trade Organization. A commercially viable agreement must address U.S. concerns for opening China's market to U.S. agricultural and industrial goods. Likewise, U.S. service industries—particularly banking and insurance—deserve access to the Chinese market. Once this agreement is achieved, Congress should not hesitate to grant China permanent normal trade relations. Failure to do so would leave the U.S. unable to apply WTO rules and obligations to China, including mechanisms for dispute resolution.

At the heart of the annual Congressional debate over normal trade with China lies the issue of economic sanctions. All Americans support common-sense efforts to advance the cause of human rights in China, and else-

where around the world. The question is one of means, not ends, whether self-righteous indignation advances or undercuts a just cause.

Although arguments can be marshalled in support of trade revocation, at this time they are clearly unconvincing. Indeed, for this Congress to revoke normal trade relations with China as a means to assert legislative displeasure with Beijing on one or any number of social issues would be so counterproductive as to be tantamount to an irrational act.

Members of Congress and many Americans are frequently vexed by what they perceive to be the slow pace of political change in China. But here it must be stressed that the only political system that fits economic free enterprise is political free expression reflected in governmental institutions of, by, and for the people. Advancing freely associated economic ties with the West has only one political side effect: it builds bridges to democracy. Quixotic attempts to isolate China economically run a far greater risk of assuring oppression than advancing democracy.

Chinese society is changing far more rapidly than most Americans realize. The late Deng Xiaoping underscored the new Chinese pragmatism with his cat and mice metaphor, and by promoting "socialism with Chinese characteristics." That pragmatism has led to unprecedented social and economic change in China. Indeed, despite continued political repression, China may be changing more rapidly than any other country in the world. Not only is it looking outward to trade and establishing a market-oriented internal economy, but in terms of private discussion there is much more freedom of expression than existed two decades ago. Privately, one can now criticize the Government without repercussion; it is public criticism that remains shackled. This latter circumstance is indefensible, but the looseness of controls on the former is not without significance. Nor are recent decisions allowing elections at local levels.

Nonetheless, China's social and economic transformation can't proceed in the long run without effecting significant political change. At some point Beijing's new leaders must recognize the incompatibility of free enterprise and an authoritarian political system, and must recognize as well that instability can be unleashed in society when governments fail to provide safeguards for individual rights and fail to erect political institutions adaptable to change and accountable to the people.

Whether the 21st century is peaceful and whether it is prosperous will most of all depend on whether the world's most populous country can live with itself and become open to the world in a fair and respectful manner. How the United States, its allies, and the international system responds to the complexities and challenges of modern China is also one of the central foreign policy challenges of our time.

Revocation of MFN would not be responsive to the challenge. It would not effectively address our legitimate concerns on human rights, nonproliferation, Taiwan, or trade. On the contrary, it would constitute a supremely counter-productive act.

The United States would be far better to develop a bipartisan and bi-institutional approach that maintains an open door to China and with it a constructive relationship that will be the key to peace, stability, and prosperity in the 21st century than to annually threaten this po-

litical brinksmanship. I urge the defeat of this self-defeating legislation.

Ms. HARMAN. Mr. Speaker, I regret this annual ritual to attempt to deny regular trading status to a country comprising one quarter of the world's population.

The United States has normal trade relations with every country in the world except six: Afghanistan, North Korea, Cuba, Laos, Vietnam, and Yugoslavia. We even grant normal trade relations status to Iran, Iraq, Burma, and Libya. It is not to our advantage to put China in the same category as these rogue states, and impose trade restrictions.

By denying normal trade relations with China we hurt ourselves. China is the world's largest nation and a vast untapped market for U.S. goods and services. We can deny MFN to China, but other countries won't. And in the long run, we will be shut out of this market. This will not serve American workers, American consumers, or American competitiveness.

In my own state of California, trade with China accounts for \$2.3 billion in exports, and thousands of high-skill, high-wage jobs. In the district I represent, trade with China has generated new jobs not only through exports, but imports as well. Since 1995, the number of jobs at the Ports of Los Angeles and Long Beach has increased five times over (from 800 to 4,700). And these are good, high paying jobs—many of them union jobs.

And let's be clear: if we deny normal trade relations with China, we leave the door open to quotas and tariffs that raise prices on the goods we buy. If we deny MFN, we hurt our own consumers. Is this what we want for hard-working American families?

Making China a regular trading partner does not mean downgrading our interest in getting China to improve its human rights and its non-proliferation record. As a member of the House National Security and Intelligence Committees, I have worked very hard to address the threat of missile proliferation from China and other countries, and I will continue to do so. The imposition of targeted economic sanctions on firms that proliferate is, in my view, a far better way to deal with this.

Refusing to grant normal trade relations status to China won't move it one iota on the issue of human rights or missile sales. What will? Engagement. Engagement means that we will continue to expose the Chinese people to our way of life and our values. As you will recall from the events that swept Eastern Europe less than a decade ago, opening the door just a little can result in tremendous change.

Wang Dan, the student protester who spent 7 years in a Chinese jail, recently said he hoped to learn about the U.S. political system and "bring the good things" back to China. He wants constructive engagement, and so should we.

Mr. VISCLOSKEY. Mr. Speaker, I rise to express my strong opposition to President Clinton's decision to extend Most-Favored-Nation (MFN) trading status to the People's Republic of China for another year. I also express my full support for H.J. Res. 121, legislation introduced in the House of Representatives that would override the President's decision and revoke China's MFN status.

I am opposed to continuing China's MFN status for three reasons: (1) China's continuing disregard for our nation's trade laws, which has led to a skyrocketing trade deficit; (2) China's atrocious record on human rights; and (3)

China's efforts to assist countries such as Iran, Libya, and Pakistan in developing weapons of mass destruction.

During my career in the Congress, I have worked hard to level the playing field for America's working families. I believe that if you work hard and play by the rules, you are entitled to a fair wage that allows you to buy a house, raise a family, and receive a good pension upon retirement. Unfortunately, these values are falling prey to foreign countries that aim to undermine U.S. jobs by producing goods with cheap labor and then violating our trade laws by importing those goods into the U.S.

China is a prime example of a country that engages in this type of behavior. There is irrefutable evidence that China produces consumer goods using slave labor, child labor, and even military labor in order to keep production costs as low as possible. In fact, Chinese workers are paid an average of \$2 per day. China then violates U.S.-China trade agreements, including intellectual property laws, quota rules, and numerous other U.S. trade laws as it imports its goods into the United States.

It should come as no surprise that our trade deficit with China has risen from \$3 billion in 1989 to a projected \$63 billion for 1998. Trade figures for May 1998, show a 28 percent increase in the deficit compared with May 1997. These figures indicate that our trade imbalance with China is growing by more than \$1 billion per week.

Our trade deficit with China will only get worse because continuing to grant MFN perpetuates a fundamentally unfair tariff system. Under MFN, the average tariff rate on Chinese goods being imported into the U.S. is just 2 percent, while China sets a whopping 35 percent tariff on U.S. goods. Continuing the current system gives China no incentive to lower its tariff rates or respect the trade laws currently in place. Revoking MFN would increase U.S. tariffs on 95 percent of the goods being imported from China, which will put the brakes on the growing trade deficit and help balance the playing field for American workers.

In the area of human rights, China's record speaks for itself. In 1997, the U.S. Department of State's annual report on human rights repeatedly chastised the Chinese for committing a range of human rights violations. According to the report, "The [Chinese] government continued to commit widespread and well-documented human rights abuses, in violation of internationally accepted norms stemming from the authorities' very limited tolerance of public dissent, fear of unrest, and the limited scope or inadequate implementation of laws protecting basic freedoms."

The evidence is also clear that China continues to provide rogue nations such as Libya, Iran, and Pakistan with assistance in developing nuclear weapons and advanced ballistic missiles. China has supplied Iran with C-802 cruise missiles, which will allow Iran to deliver deadly payloads throughout the Middle East. China has also provided Pakistan with the technical assistance it needed to develop nuclear weapon capabilities. Recent reports even indicate that the Chinese were testing advanced ballistic missiles while President Clinton was visiting their country last month.

Mr. Speaker, China was originally granted MFN status with the hope that doing so would encourage China to lower its tariffs, improve

its record on human rights, and become a responsible member of the international community. Seventeen years later, China's record on these issues shows little improvement. It is time to reject those who say "constructive engagement" is the only way to deal with the Chinese government, and revoke MFN status until China commits itself to making trade fairer, people freer, and the world safer.

Mr. LIPINSKI. Mr. Speaker, a 19th century British politician once said, "Commerce is the greatest of all political interests." The Administration's actions lends credence to the statement. In early June, the Administration threw its support behind the renewal of China's MFN status. The interests of multinational corporations have once again been placed before the interests of American working families.

We gave MFN status to China, and exactly what has that given us? It's given us a surging U.S. trade deficit with China that was \$50 billion in 1997 that is expected to reach over \$60 billion this year. The Administration's cozy trade relationship with China has come at the cost of tens of thousands of American jobs—in the name of constructive engagement, of course.

What is the bottom line with MFN for China? Multinational corporations take advantage of MFN and cheap Chinese labor by moving U.S. manufacturing jobs to China, produce the goods there, and export the products back to the U.S. Our jobs are being exported to China, so multinational corporations can raise their profits. They're putting profits before people.

Who wins? Communist China and multinational corporations.

Who loses? American workers.

Why? In the name of constructive engagement.

Constructive engagement should not come at the cost of American jobs. We should engage on our terms, so that all Americans can enjoy a rising standard of living—not just multinational corporations.

Mr. Speaker, while I am an idealist, I am also a realist. We just do not have the votes here today to reject MFN for China. What we do have, however, is an opportunity to send a message to the leaders in Beijing, China. The U.S. Congress will not stand idly by as China continues to close her markets to American products. Congress cannot ignore predatory trade practices that cost American jobs and threaten the livelihood of American workers. We must take stronger actions to open up China's market.

But the Administration has been telling us that they've been in negotiations with China. They're working very hard to open up China's market. The Administration has been negotiating to open up China's market since 1992, and in my opinion, nothing seems to have changed for the better. I think it's about time to stop talking and start doing.

Congress has provided the Administration with an extremely powerful tool at its disposal. Sections 301 through 309 of the Trade Act of 1974, commonly known as Section 301, gives the President and the U.S. Trade Representative the authority to respond to foreign trade barriers which restrict U.S. exports. It further authorizes the President and the USTR to retaliate usually in the form of 100% tariffs on targeted imported products from the offending country. Section 301 can do a lot to pry open foreign markets, especially in China. They've just chosen not to use it—in the name of constructive engagement, of course.

It's time for the Administration to pull Section 301 out of the closet, dust it off, and utilize it to pry open China's markets and correct the unfair trade deficit. It's time to initiate a Section 301 investigation of China. It's time to take the Section 301 sledgehammer to China's other Great Wall. Break it down and open it up to good, old Made-in-USA products. And if the Administration is reluctant to use Section 301, then it's up to Congress to make sure the Administration does.

Mr. Speaker, I am in strong of H. J. Res. 121 to revoke MFN status for China, because it hasn't helped America, it's only hurt us. MFN for China is a dead-end street for American workers. I urge all of my colleagues to vote for the resolution and send a message to Communist China that American workers will no longer bear the burden of constructive engagement.

Mr. COSTELLO. Mr. Speaker, I rise today in support of the resolution to disapprove so-called normal trade status to China. In the past I opposed efforts to grant this privilege to China, and following a trip I made to China last year, I continue to have reservations about extending this status.

Since the 1989 Tiananmen Square massacre, concern in Congress about the U.S.-China relationship has focused on three areas: China's violations of our trade agreements, proliferation of weapons of mass destruction, and human rights abuses. While congressional hearings and commissions have met and many reports have been issued, in each of these areas where Chinese violations have occurred, it is clear that our national policies of constructive engagement have failed. In fact, there has been deterioration, not improvement, under recent policies.

Looking from the economic perspective, the U.S. deficit with China has climbed exponentially to \$50 billion last year. China's high tariffs and non-tariff barriers limit access to the Chinese market for most U.S. goods and services and violate the GATT agreement. China's communist rulers also refuse to enforce laws to prevent the piracy of intellectual property and patents. We must take action to assure that from an economic standpoint we have a level playing field.

Secondly, I am concerned about Chinese efforts to transfer nuclear, advance missile, chemical and biological weapons technology to nations like Iran and non-safeguarded nations like Pakistan. China is the largest nuclear power in the world and the only nation which produces long-range nuclear missiles. We cannot continue to ignore China's transfer of dangerous technology to that region. Such activity threatens to destabilize not only our nation but other regions of the world.

Most importantly, human rights issues continue to concern me. As recently as last week, the Chinese government arrested a group of Chinese citizens for attempting to form an opposition political party. Chinese officials ruthlessly enforce laws limiting families to having one child. It is well-documented that individuals in China who gave birth to a second child experienced loss of job or government benefits, fines and in some cases forced sterilization. The freedoms we often take for granted in America are what makes our citizens the envy of the world. As a national policy, I do not support offering economic incentives to a nation which discourages and disallows the freedom for individuals to express themselves.

Our nation has a responsibility to use its leverage to act on behalf of fairness and must insist on a reciprocal relationship with China. It is my strong desire that once and for all these three issues can be addressed so that both countries can have a satisfactory trade relationship. However, this will not happen by once again overlooking the serious problems that are occurring in China. Please do not reward China for their abuses of power; vote to deny "normal trade status" to China.

Mr. UPTON. Mr. Speaker, last year I voted against MFN. I did so for a variety of good reasons—primarily because of changes regarding nuclear technology issues and the suspicion that indeed we had seen the transfer of such to other countries.

I had a pretty good feeling that then, and now, MFN would continue. The issue of "engagement" would indeed prevail. But I voted against it in 1997 because I believed that we should send them a signal—if not now, when?

The last number of days, I, and a number of my colleagues have had lengthy discussions with the State Department, Defense Department, USTR, and others regarding the real security of these technologies.

I'm convinced, that we have made real progress in sending the message that any transfer of these technologies to other countries is simply not acceptable. Engagement this past year has indeed been productive on this front and I am glad to see real improvements.

I am hopeful that this progress will continue and I will also continue to watch world events with a careful eye.

My vote today will be cast in favor of normal trade between our two countries.

Mr. SKAGGS. Mr. Speaker, I want to see China improve its human rights record, stop repressing the people of Tibet, allow civil liberties and public dissent, and stop persecuting religious minorities.

So I understand the appeal of voting for this resolution. It would be very satisfying, for a few minutes, to feel that I did something, that the Congress did something, to make China change. But I have to step back and ask whether revoking Most-Favored Nation (MFN) trading status, now called Normal Trade Relations (NTR), for China would have the desired effect, and if not, what will. I don't think passing this resolution will make China change.

This cannot be a one-sided debate. We must consider not only the areas where we have real and heartfelt disagreement with the Chinese government's actions and policies, but also those often complex areas where Chinese cooperation with the United States has had and will have enormous consequences. And there are important areas where China has cooperated with us: working with us to stop North Korea's nuclear weapons development; helping us in the UN Security Council on the war against Iraq and subsequent sanctions; assisting U.S. efforts to implement the nuclear test ban and extend the nuclear non-proliferation treaty. In these areas, cooperation and engagement with China made all the difference in policies that are vital to our national security.

I have long advocated improved human rights in China. After the 1989 massacre in Tiananmen Square, I organized a protest march of more than two dozen Members of Congress who walked across Washington from the U.S. Capitol to the Chinese embassy,

where we met with the Chinese ambassador and presented in the strongest possible terms our views that the Chinese government needed to change its ways.

I have also been very concerned about the persecution of Christians, and other religious minorities in China. Yet activists working to stop the persecution of Christians are of two minds on this issue. Many, including the Rev. Billy Graham and a number of Chinese Christians, have said that they feel engagement with China is the better course.

Revoking NTR means in effect that the United States would be imposing a huge unilateral increase in tariffs on Chinese goods. No other country is expected or likely to join us in raising tariffs, and that means revocation of NTR would be a unilateral economic sanction. Given the particular culture of the Chinese, I do not believe that this kind of sanction will be any more successful against China than unilateral trade sanctions have been against any other country. And many of our international competitors are quite ready to take over the U.S. share of the Chinese market.

Most worrisome would be the effect of raising U.S. tariffs, and thus risking contracting the Chinese economy at a time when the aftershocks of the Asian financial crisis are reverberating around the world. It is frankly in our own self-interest to encourage economic stability in Asia right now. Our own country could not be immune to recession if the Asian contagion spreads.

China has held the line on its currency during the Asian financial crisis, doing its part to keep the crisis from spreading further. It's highly unlikely China could continue to resist revaluation in the face of the impact of ending NTR status.

A year ago, Hong Kong reverted to Chinese sovereignty. We in Congress pressed China to live up to its promise of "one country, two systems" for Hong Kong. While we want to see further democratization for Hong Kong, China so far has substantially lived up to its pledges on political and economic autonomy for Hong Kong. Now that Hong Kong is under Chinese rule, trade with Hong Kong would also be subject to stiff tariff increases if NTR trading status is revoked. This could undermine Hong Kong's independence and autonomy by severely damaging its economy at a time when the Asian financial crisis has already wrecked havoc on it. It's estimated that revoking NTR would cut Hong Kong's economic growth in half, reduce trade by \$30 billion, and cost 85,000 Hong Kong workers their jobs—making Hong Kong dependent on the Chinese regime.

The debate in the past has suffered from semantics. I hope the name change from "most-favored nation" (implying something special and concessionary) to "normal trade relations" (the tariff schedule that applies to almost every other nation we trade with) will help clarify what we are discussing here. Even countries with human rights records far from our liking get NTR status. There are only five countries to which we deny NTR status: Afghanistan, Cuba, Laos, North Korea, and Vietnam. Even the "rogue states" of Iran, Iraq, and Libya, although subject to other economic sanctions, are technically eligible for NTR status. Countries, like Syria or Indonesia, whose human rights records we often decry in the Congress, have NTR trading status.

Cutting off NTR status would mean that we would lose the opportunity to expose China to

free market principles and values. American businessmen and women, interacting with their Chinese counterparts, are able to demonstrate the merits of many such principles and values. Over time, it will make a difference, not just in economics, but in human dignity and human rights.

The globalizing world economy and the revolution in information exchange and technology offers an unprecedented set of circumstances that will tend to push all but the most isolated of nations toward integration with the international community. To finance expanding trade, China needs foreign capital and investment. With that investment comes exposure to internationally-recognized values and freedoms. With advances in information technology, such as the Internet, electronic mail, and fax machines—most of which are essential for doing business today—repressive governments like China's are fast losing their ability to control what people can read, learn, and think.

There are other, more positive, levers we can use to encourage China to loosen its repressive policies. One of those levers is Chinese accession to the World Trade Organization (WTO). I expect our negotiators to drive a hard bargain for market access and improved business practices before we can agree to China joining the WTO, a body China feels is essential for its trade expansion policies.

Engagement will take time, and it is hard to be patient. It will take time for trade, investment, and foreign enterprise to break the iron grip the Chinese regime has over its people. But American trade, products, and most importantly exposure to American values and people carry the seeds of change. Ultimately, China cannot sustain the economic liberalization supporting its trade with the United States without seeing an inevitable erosion of its political isolation and its authoritarian regime. Those are the ultimate, if eventual, objectives which inform our policy. To reverse that policy now might provide some temporary emotional and even moral satisfaction. But the advocates of such a reversal have not explained how it would lead to anything but a practical—and moral—dead end.

Mr. STENHOLM. Mr. Speaker, I rise in strong opposition to the resolution that would end normal trade relations with China. What we are considering today is whether we would continue giving China average treatment. With normal trade relations, our farmers and ranchers can sell their products in China on the same terms as their competitors from Australia, South America, and Europe.

U.S. agricultural exports to China already exceed \$3.3 billion a year, and China's economy is growing at a rate of about 7% each year. Our agricultural exports have nearly tripled in the past 5 years making China the fourth largest market in the world for U.S. agricultural products. China accounts for approximately 25 percent of total world cotton consumption.

This year, China has become the leading importer of U.S. soybeans and products, estimated at over \$1.4 billion. China is now the ninth largest market in the world for U.S. solid wood exports. U.S. solid wood exports to China totaled \$152 million in 1997.

During 1997, China's estimated poultry consumption reached 12.8 million tons, accounting for 25 percent of global demand. Poultry

consumption in China grew from only 12 percent of total meat intake in 1990 to about 24 percent in 1997.

China is by far the world's largest wheat consumer, and is second only to the United States in corn use. By 2005, China will be a net importer of 32 million tons of grain annually. WTO accession could expand those numbers dramatically—USDA estimates that China's net agricultural imports would increase by over \$8 billion annually. Revocation of normal trade relations would undoubtedly set back progress towards a WTO accession agreement, and provide Europe, Australia, and Canada the opportunity to build long-term market share in China.

Joining the WTO means bringing China into a rules-based trading system. China must make laws public, require judicial review of all trade actions, apply all trade laws equally, and submit to WTO dispute settlement to ensure compliance with WTO rules. All of these measures will enhance the rule of law and the application of international norms in China's trade regime, to the benefit of China and the United States. The rule of law in trade in turn spills over to benefit the rule of law elsewhere.

We cannot afford to lose China as a market, just as we cannot in good conscience ignore our disagreements on social issues. This vote will determine whether United States values will continue to be of influence in China.

Shutting down trade with China or making the terms of trade impossibly restrictive would put in place a policy of unilateral confrontation that would not change China's behavior. If we remove MFN from China, we disengage our government from a leadership role in the region and would remove the positive influence that our business community has in China.

We must engage China if we are to persuade its leadership to deal with important social issues, and if we are to persuade China to open its markets to more U.S. agricultural products. Engagement of China has also helped maintain our agricultural markets in a very visible way in recent months—China has played an extremely helpful role in the Asia crisis. China has maintained the value of its currency despite pressure to devalue. A Chinese devaluation would almost certainly set off a new round of competitive devaluation in the region the U.S. agriculture cannot afford. China has also participated actively in the Manila Framework and Willard Group processes, which are working to address problems identified by the crisis, and China has contributed directly to the international support package for Thailand.

Until we can reach a commercially viable agreement with China on Accession to the WTO, we must maintain normal trading relations with China—and that means renewing MFN.

I urge my colleagues to vote "no" on this disapproval resolution.

Mr. CONDIT. Mr. Speaker, I rise today to cast my vote against renewing normal trade relations with the People's Republic of China. In doing so, it is time to send a strong signal to Beijing along a number of fronts.

First, it is time to send a strong message that the hoped-for policy of trade engagement with China leading to greater democracy and responsibility from the Chinese government hasn't produced the results which merit renewal.

Our trading practices with China are reason enough not to renew normal trade relations.

Because China continues to engage in predatory trade practices, we now have a \$50 billion trade deficit. China continues to refuse to enforce laws against piracy of intellectual property and patents, continues to ship products made with prison labor, evades U.S. restrictions on Chinese textile exports by transshipping pieces through Hong Kong and effectively prohibits thousands of foreign products which run counter to the General Agreement on Tariffs and Trade.

Clearly, countless extensions of this trading privilege, formerly known as Most Favored Nation trading status, have not produced favorable conditions for the U.S. Also very clearly, this is a privilege the Chinese need more than we do.

Secondly, there are serious questions about the Chinese and their military spending which has been fueled and financed by billions of dollars the Chinese make through managed trade with us. Instead of entering the international community and trying to stem the flow and proliferation of nuclear arms, there is strong evidence the Chinese have continued to transfer advanced ballistic missile technology to Syria and Pakistan as well as nuclear and chemical weapons technology to Iran.

In the area of human rights, China has not made the kind of progress which deserves our support for Normal Trade Relations. Just a few weeks ago, President Clinton visited China and emphasized the need for greater freedom and the rule of law. Since President Clinton left China, there have been almost daily reports in the news media regarding China's increasing intolerance—including numerous arrests of people associated with China's democracy movement. There is a crystal clear record of religious persecution, restrictions on the press, use of slave and prison labor, and the persecution of the people of Tibet.

Mr. ACKERMAN. Mr. Speaker, I rise in opposition to House Joint Resolution 121 and in support of normal trade relations with China.

Every year we debate the extension of NTR to China, but the debate is not really about trade, it's about how we relate to China. There are many reasons for members to object to aspects of the U.S.-PRC relationship. There are issues involving missile proliferation, nuclear technology transfers, religious freedom, human rights, and Taiwan. Opponents of NTR will claim any or all of these issues as justification for discontinuing normal trade relations.

For me, the issue has always been how best to convey our concerns to China and how to persuade them to be constructive actors on the international stage. The best way is through engagement because if we don't deal with China, none of the issues that we believe are important will be addressed.

This is equally true where we share a common agenda with China. For example, it is in both our interests that North Korea not develop nuclear weapons. Likewise, it is in both our interests that China not devalue the yuan. Such a step could worsen the already severe economic crisis in Asia and undermine American interests there. Would China be more willing to be constructive on these issues if we cut off normal trade relations? I doubt it.

This is not a call for business as usual or an indication that we should abandon our security, proliferation or human rights concerns. On the contrary, we must forcefully articulate our

views to China where we disagree. The President did just that when he was in China a few weeks ago. He had the unprecedented opportunity to speak directly to the Chinese people about American concerns and American values. This opportunity would not have occurred had we cut off NTR last year and I believe U.S. interests would be seriously damaged if we approve this resolution today.

Mr. Speaker, when the United States Government deals directly with China, when U.S. companies do business in China, and when U.S. citizens travel to China, China is exposed to American values. That's the best way for us to engage China.

I urge my colleagues to oppose the resolution and support normal trade relations with China.

Mr. RANGEL. Mr. Speaker, I rise in support of the President's decision to extend most-favored-nation, or normal trade relations status, to the products of China for another year. I urge my colleagues to vote no on H.J. Res. 121, which would disapprove the President's decision.

The Committee on Ways and Means decided by a bipartisan voice vote to report this resolution adversely, and to continue our present trading relationship with China.

We all share similar goals with respect to China. We all want China to observe international norms with respect to human rights, religious freedom, and democratic principles. We all want China to provide greater market access for our goods and services. We all want China to be a responsible trading partner.

Continued engagement with China through increased trade is not an endorsement of China's policies with respect to human rights and political and religious freedoms. The point is that withdrawing normal trading status from China (after the 18 years we have treated the Chinese in the same manner as we do all but a handful of other countries in the world) will not advance our goals with China. Rather, it will be a major step backward and hinder achieving those goals.

Using trade as a weapon can work only if we have a consensus with our trading partners that we will work collectively to achieve common goals. As our unilateral embargo against Cuba demonstrates, seeking to change the behavior of Chinese leaders by withdrawing from our normal trading relationship is unworkable. It will result only in foreign countries filling the vacuum we leave. We lose the jobs increased trade would have provided, and the situation we target does not improve.

It is our policy of working to expand areas of cooperation with China while dealing directly with our differences—not a policy of isolation—that has the support of our foreign allies, as well as religious leaders, including the Reverend Billy Graham and the Dalai Lama.

We should increase communication through business and trade contacts in order to continue the progress being made toward resolving our differences with Chinese leaders. That dialog will create further understanding among the people of the most populous nation on Earth about our democratic values.

The televised discussions about human rights which took place during the President's recent visit to China demonstrated that our policy of continued engagement is making a difference with the new Chinese leadership and the Chinese people.

Mr. Speaker, I also support the President's decision to continue our engagement with China because this is a foreign policy and a national security issue, not just a trade issue. China is cooperating with us in a number of areas of strategic importance to promote stability in Asia, including on nuclear nonproliferation and the financial crisis. For the Congress now to disapprove normal trading status and, instead, impose prohibitive tariffs on Chinese products clearly would have negative consequences for our overall strategic as well as economic relations.

The United States-China relationship is a key to global peace, prosperity, and stability for many years ahead. Management of this relationship in a constructive, positive way is of critical importance to our national interests. The wisdom of this course was demonstrated by the President's trip and I believe it must be maintained.

We should defeat H.J. Res. 121.

□ 1545

The SPEAKER pro tempore (Mr. PEASE). Pursuant to the order of the House of Friday, July 17, 1998, the previous question is ordered.

The question is on the engrossment and third reading of the joint resolution.

The joint resolution was ordered to be engrossed and read a third time, and was read the third time.

ANNOUNCEMENT BY THE SPEAKER PRO TEMPORE

The SPEAKER pro tempore. The Chair announces that proceedings will resume on the motion to suspend the rules and pass the bill, H.R. 1689, immediately following this vote, and without objection, the Chair will reduce the time for that vote by the yeas and nays to not less than 5 minutes.

There was no objection.

The SPEAKER pro tempore. The question is on the joint resolution.

The question was taken; and the Speaker pro tempore announced that the noes appeared to have it.

RECORDED VOTE

Mr. SOLOMON. Mr. Speaker, I demand a recorded vote.

A recorded vote was ordered.

The vote was taken by electronic device, and there were—ayes 166, noes 264, not voting 5, as follows:

[Roll No. 317]

AYES—166

Abercrombie	Collins	Gallegly
Aderholt	Condit	Ganske
Barcia	Cook	Gejdenson
Barr	Costello	Gephardt
Bartlett	Cox	Gibbons
Barton	Coyne	Gilman
Bishop	Cummings	Goode
Blunt	Danner	Goodling
Bonior	Deal	Graham
Borski	DeFazio	Gutierrez
Brady (PA)	Delahunt	Hall (OH)
Brown (OH)	DeLauro	Hastings (FL)
Bunning	Diaz-Balart	Hefley
Burr	Dickey	Hefner
Burton	Doolittle	Hilleary
Cardin	Duncan	Hinchee
Carson	Ehrlich	Hobson
Chambliss	Engel	Horn
Chenoweth	Ensign	Hostettler
Christensen	Evans	Hoyer
Clay	Everett	Hunter
Clayton	Forbes	Hyde
Clyburn	Fowler	Inglis
Coburn	Frank (MA)	Jackson (IL)

Jenkins	Ney	Souder
Jones	Norwood	Spence
Kaptur	Obey	Spratt
Kasich	Olver	Stark
Kennedy (MA)	Owens	Stearns
Kennedy (RI)	Pallone	Stokes
Kildee	Pappas	Strickland
Kilpatrick	Pascarell	Stupak
King (NY)	Payne	Sununu
Kingston	Pelosi	Taylor (MS)
Klink	Pickering	Taylor (NC)
Klug	Pombo	Thompson
Kucinich	Riley	Tiahrt
Lantos	Rivers	Tierney
Lee	Rogers	Torres
Lewis (GA)	Rohrabacher	Trafigant
Lipinski	Ros-Lehtinen	Velazquez
LoBiondo	Rothman	Vento
Maloney (CT)	Royce	Visclosky
Markey	Sabo	Wamp
Mascara	Sanchez	Waters
McCarthy (NY)	Sanders	Waxman
McDade	Sanford	Weldon (FL)
McIntyre	Saxton	Wexler
McKinney	Scarborough	Weygand
Menendez	Schaefer, Dan	Wolf
Miller (CA)	Schaffer, Bob	Woolsey
Mink	Sensenbrenner	Wynn
Mollohan	Sisisky	Yates
Myrick	Smith (NJ)	Young (AK)
Nadler	Smith, Linda	
Neumann	Solomon	

NOES—264

Ackerman	Dooley	Klecza
Allen	Doyle	Knollenberg
Andrews	Dreier	Kolbe
Archer	Dunn	LaFalce
Armey	Edwards	LaHood
Bachus	Ehlers	Lampson
Baesler	Emerson	Largent
Baker	English	Latham
Baldacci	Eshoo	LaTourette
Ballenger	Etheridge	Lazio
Barrett (NE)	Ewing	Leach
Barrett (WI)	Farr	Levin
Bass	Fattah	Lewis (CA)
Bateman	Fawell	Lewis (KY)
Becerra	Fazio	Linder
Bentsen	Filner	Livingston
Bereuter	Foley	Lofgren
Berman	Fossella	Lowey
Berry	Fox	Lucas
Bilbray	Franks (NJ)	Luther
Bilirakis	Frelinghuysen	Maloney (NY)
Blagojevich	Frost	Manton
Bliley	Furse	Manzullo
Blumenauer	Gekas	Martinez
Boehlert	Gilchrist	Matsui
Boehner	Gillmor	McCarthy (MO)
Bonilla	Gingrich	McCollum
Bono	Goodlatte	McCrery
Boswell	Gordon	McDermott
Boucher	Goss	McGovern
Boyd	Granger	McHale
Brady (TX)	Green	McHugh
Brown (CA)	Greenwood	McInnis
Brown (FL)	Gutknecht	McIntosh
Bryant	Hall (TX)	McKeon
Buyer	Hamilton	Meehan
Callahan	Hansen	Meek (FL)
Calvert	Harman	Meeks (NY)
Camp	Hastert	Metcalfe
Campbell	Hastings (WA)	Mica
Canady	Hayworth	Millender-
Cannon	Herger	McDonald
Capps	Hill	Miller (FL)
Castle	Hilliard	Minge
Chabot	Hinojosa	Moakley
Clement	Hoekstra	Moran (KS)
Coble	Holden	Moran (VA)
Combest	Hooley	Morella
Conyers	Houghton	Murtha
Cooksey	Hulshof	Neal
Cramer	Hutchinson	Nethercutt
Crane	Istook	Northrup
Crapo	Jackson-Lee	Nussle
Cubin	(TX)	Oberstar
Cunningham	Jefferson	Ortiz
Davis (FL)	John	Oxley
Davis (IL)	Johnson (CT)	Packard
Davis (VA)	Johnson (WI)	Parker
DeGette	Johnson, E. B.	Pastor
DeLay	Johnson, Sam	Paul
Deutsch	Kanjorski	Paxon
Dicks	Kelly	Pease
Dingell	Kennelly	Peterson (MN)
Dixon	Kim	Peterson (PA)
Doggett	Kind (WI)	Petri

Pickett	Salmon	Stump
Pitts	Sandlin	Talent
Pomeroy	Sawyer	Tanner
Porter	Schumer	Tauscher
Portman	Scott	Tauzin
Poshard	Sessions	Thomas
Price (NC)	Shadeegg	Thornberry
Pryce (OH)	Shaw	Thune
Quinn	Shays	Thurman
Radanovich	Sherman	Towns
Rahall	Shimkus	Turner
Ramstad	Shuster	Upton
Rangel	Skaggs	Walsh
Redmond	Skeen	Watkins
Regula	Skelton	Watt (NC)
Reyes	Slaughter	Watts (OK)
Riggs	Smith (MI)	Weldon (PA)
Rodriguez	Smith (OR)	Weller
Roemer	Smith (TX)	White
Rogan	Smith, Adam	Whitfield
Roukema	Snowbarger	Wicker
Roybal-Allard	Snyder	Wilson
Rush	Stabenow	Wise
Ryun	Stenholm	

NOT VOTING—5

Ford	McNulty	Young (FL)
Gonzalez	Serrano	

□ 1604

Mr. RUSH and Mr. McCRERY changed their vote from "aye" to "no."

Mr. VISCLOSKY and Mrs. MYRICK changed their vote from "no" to "aye."

So the joint resolution was not passed.

The result of the vote was announced as above recorded.

SECURITIES LITIGATION UNIFORM STANDARDS ACT OF 1997

The SPEAKER pro tempore (Mr. PEASE). The unfinished business is the question of suspending the rules and passing the bill, H.R. 1689, as amended.

The Clerk read the title of the bill.

The SPEAKER pro tempore. The question is on the motion offered by the gentleman from Virginia (Mr. BLILEY) that the House suspend the rules and pass the bill, H.R. 1689, as amended, on which the yeas and nays are ordered.

This will be a 5-minute vote.

The vote was taken by electronic device, and there were—yeas 340, nays 83, answered "present" 1, not voting 11, as follows:

[Roll No. 318]

YEAS—340

Ackerman	Bonilla	Collins
Aderholt	Bono	Combest
Allen	Boswell	Condit
Andrews	Boucher	Cook
Archer	Boyd	Cooksey
Armey	Brady (TX)	Cox
Bachus	Brown (OH)	Cramer
Baesler	Bryant	Crane
Baker	Bunning	Crapo
Ballenger	Burr	Cunningham
Barcia	Burton	Danner
Barr	Buyer	Davis (FL)
Barrett (NE)	Callahan	Davis (VA)
Barrett (WI)	Calvert	Deal
Bartlett	Camp	DeLauro
Barton	Campbell	DeLay
Bass	Canady	Deutsch
Bateman	Cannon	Diaz-Balart
Bentsen	Capps	Dickey
Bereuter	Cardin	Dooley
Berry	Castle	Doolittle
Bilbray	Chabot	Doyle
Bilirakis	Chambliss	Dreier
Bishop	Chenoweth	Duncan
Bliley	Christensen	Dunn
Blumenauer	Clement	Edwards
Boehlert	Coble	Ehlers
Boehner	Coburn	Ehrlich